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Agenda Item 3c

June 13, 2011

TO: MEMBERS OF THE AD HOC RISK MANAGEMENT COMMITTEE

- I. **SUBJECT:** Risk Exposure Reports
- II. **PROGRAM:** Enterprise
- III. **RECOMMENDATION:** Information
- IV. **ANALYSIS:**

In April 2011, the CalPERS Board of Administration approved the creation of a standing Risk Management Committee (Committee), responsible for oversight of the CalPERS risk management framework and risk exposures. To provide the Committee with a comprehensive understanding of CalPERS risks, the Office of Enterprise Risk Management (OERM) has developed a risk dashboard and focus list (Attachment 1).

This risk report was developed with the input and consensus of senior management and the Executive Risk Management Committee, and outlines the significant residual risks facing CalPERS and management's planned mitigation strategies. Going forward, the OERM will continue to monitor changes to risk ratings and progress on mitigation plans. Work is underway to develop quantitative risk measures and a relational database to house the assessments, allowing for real-time reports and enhanced drill-down capabilities. Updated risk reports will be provided to the Committee quarterly and will be used to ensure clear risk accountability and inform management strategy.

This agenda item provides the Committee an overview of the current state of the residual risk being managed across the enterprise.

V. STRATEGIC PLAN:

This item is part of the Strategic Plan, Enterprise Priority 3 – Building Internal Strength. Specifically, it supports objective 3, to institute an Enterprise Risk Management function to effectively evaluate, monitor, and manage risk across the organization.

VI. RESULTS/COSTS:

N/A

Members of the Ad Hoc Risk Management Committee
June 13, 2011
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Attachments